

6635-B
ASSIGNMENT OF LEASE

AUG 23 1972

WHEREAS, UNITED STATES RAILWAY LEASING COMPANY, a corporation of the State of Illinois (hereinafter referred to as "United") and George P. Baker, Richard C. Bond, Jervis Langdon, Jr., and Willard Wirtz, Trustees of the Property of the Penn Central Transportation Company (hereinafter referred to as "Lessee"), have entered into a lease (herein called the "Lease"), dated June 12, 1972 providing for the lease by United to the Lessee of 500 Seventy-ton capacity cars, therein described (hereinafter referred to as the "Cars"); and

WHEREAS, Marine Midland Bank - New York (hereinafter referred to as "Bank"), a banking association chartered under the laws of the State of New York, with its principal offices at 140 Broadway, New York, New York 10015, has agreed to lend certain moneys to United evidenced by United's Notes or Note, and United has agreed to assign all of its right, title and interest in and to the Lease to the Bank as additional security for the Notes all as set forth in a Chattel Mortgage ("Security Agreement") dated as of July 15, 1972.

NOW, THEREFORE, for value received and upon the terms and conditions hereinafter set forth:

1. United does hereby sell, assign, transfer and set over to the Bank all the right, title and interest of United in and to the rentals and all other amounts payable by the Lessee or any other person, firm or corporation with respect to the Cars or under the Lease, except that any amount so payable shall continue to be paid to and received by United until and unless Bank or its successors or United shall notify the Lessee or any successor to its interest that an Event of Default has occurred under the terms and provisions of the Security Agreement and that payments are thereafter to be made to the Bank, or its successors; and in furtherance of this Assignment and transfer, United does hereby authorize and empower the Bank in the event of notice of a default as aforesaid, in its own name to sue for, collect, receive and enforce all payments to be made to United by the Lessee under and in compliance on the part of the Lessee with the terms and provisions of the Lease, to exercise all of the rights of United under any of the provisions of the Lease, and in its discretion to take any action under the Lease or with respect to the Cars as United could have taken thereunder if it had not assigned and transferred its rights therein, provided that nothing herein shall obligate the Bank to take any action under the Lease or in respect of the Cars.

2. United warrants and covenants (a) that on the date hereof title to the Cars is vested in United; that it has good and lawful right to sell and assign the same as provided in the Security Agreement and herein and that its right and title thereto is free from all liens and encumbrances, subject, however, in each case to the rights of the Lessee under the Lease and to the rights of the assignee hereunder; (b) that except for pending proceedings involving the reorganization of the Lessee under Section 77 of the Bankruptcy Act, there are not, to the knowledge of United,

any material disputes or actions at law or suits in equity pending or threatened, arising out of or related to the Lease; and (c) that notwithstanding this Assignment, it will perform and comply with each and all of the covenants and conditions in the Lease set forth to be complied with by United. United will cause notice of this Assignment forthwith to be given to the Lessee (together with a copy of this Assignment).

3. United represents and warrants that the Lease has been duly authorized and executed by it and covenants that it will, from time to time, at the request of the Bank, make, execute and deliver all such further instruments of assignment, transfer and assurance and do such further acts and things as the Bank may reasonably request to give effect to the provisions hereof and to confirm the right, title and interest hereby assigned and transferred to the Bank or intended so to be.

4. Pursuant to the terms of the Security Agreement and this Assignment, United shall not without the prior consent of the Bank:

- (a) terminate, modify or accept a surrender of, or offer or agree to any termination, modification, or surrender of, the Lease (except as otherwise expressly provided in the Security Agreement) or by affirmative act consent to the creation or existence of any security interest or other lien to secure the payment of indebtedness upon the leasehold estate created by the Lease; or
- (b) receive or collect or permit the receipt or collection of any rental payment under the Lease prior to the date for payment thereof provided for by the Lease or assign, transfer or hypothecate (other than to the Bank under the Security Agreement) any rent payment then due or to accrue in the future under the Lease in respect of the Cars; or
- (c) sell, mortgage, transfer, assign or hypothecate (other than to the Bank under the Security Agreement) its interest in the Cars or any part thereof or in any amount to be received by it from the use or disposition of the Cars.

IN WITNESS WHEREOF, United has caused this instrument to be executed by its proper officers thereunto duly authorized and its corporate seal to be hereunto affixed, as of the 15th day of July, 1972.

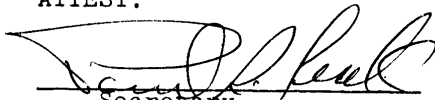
UNITED STATES RAILWAY LEASING COMPANY

(Corporate Seal)

By: 

Its _____ President

ATTEST:


Secretary

ACCEPTED:

MARINE MIDLAND BANK - NEW YORK

By: 

Its COMMERCIAL BANKING OFFICER

ATTEST:

Secretary

STATE OF ILLINOIS)
) SS
COUNTY OF COOK)

On this 10th day of August, 1972, before me personally appeared John C. Felder and Paul Leah, to me personally known, who being by me duly sworn, say that they are, respectively, the _____ President and Secretary of UNITED STATES RAILWAY LEASING COMPANY, an Illinois corporation, that the seal affixed to the foregoing instrument is the corporate seal of said corporation, that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors, and they acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

Tom Mason
Notary Public

(Notarial Seal)

My Commission expires February 4, 1976.

STATE OF NEW YORK)
) SS
CITY OF NEW YORK)

On this 17th day of August, 1972, before me personally appeared Robert B. Meyer to me personally known, who being by me duly sworn, says that he is the Commercial Banker Officer of MARINE MIDLAND BANK - NEW YORK, a banking association chartered under the laws of the State of New York, that the seal affixed to the foregoing instrument is the corporate seal of said corporation, that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

Margaret M. Bracken
Notary Public

(Notarial Seal)

My Commission expires March 30, 1973.